



February 22, 2002

ENGROSSED HOUSE BILL No. 1315

DIGEST OF HB 1315 (Updated February 20, 2002 6:49 PM - DI 71)

Citations Affected: IC 5-1.4; IC 5-1.5; noncode.

Synopsis: Charter school financing. Authorizes charter schools to obtain financing through a local public improvement bond bank, for schools located in Marion County, or through the state bond bank, for schools located outside Marion County. Allows charter schools to receive advances from the common school fund.

Effective: Upon passage.

Fry, Porter, Behning

(SENATE SPONSOR — LUBBERS)

January 15, 2002, read first time and referred to Committee on Commerce, Economic Development and Technology.

January 30, 2002, amended, reported — Do Pass.

February 4, 2002, read second time, amended, ordered engrossed.

February 5, 2002, engrossed. Read third time, passed. Yeas 81, nays 9.

SENATE ACTION

February 11, 2002, read first time and referred to Committee on Education.

February 21, 2002, amended, reported favorably — Do Pass.

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February 22, 2002

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

ENGROSSED HOUSE BILL No. 1315

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-1.4-1-10 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. "Qualified
3 entity" means the following:

- 4 (1) A city.
5 (2) A county.
6 (3) A special taxing district located wholly within a county.
7 (4) Any entity whose tax levies are subject to review and
8 modification by a city-county legislative body under IC 36-3-6-9.
9 (5) A political subdivision (as defined in IC 36-1-2-13) that is
10 located wholly within a county:
11 (A) that has a population of:
12 (i) more than four hundred thousand (400,000) but less than
13 seven hundred thousand (700,000); or
14 (ii) more than two hundred thousand (200,000) but less than
15 three hundred thousand (300,000); or
16 (B) containing a city that:
17 (i) is described in section 5(3) of this chapter; and

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(ii) has a public improvement bond bank under this article.

(6) A charter school established under IC 20-5.5 that is:

(A) sponsored by the executive of a consolidated city; or

(B) located in a county containing a consolidated city and for which the executive of the consolidated city requests financing.

(7) Any authority created under IC 36 that leases land or facilities to any qualified entity listed in subdivisions (1) through ~~(5)~~: (6).

SECTION 2. IC 5-1.5-1-8, AS AMENDED BY P.L.132-1999, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. "Qualified entity" means:

(1) a political subdivision (as defined in IC 36-1-2-13);

(2) a state educational institution (as defined in IC 20-12-0.5-1(b));

(3) a leasing body (as defined in IC 5-1-1-1(a));

(4) a not-for-profit utility (as defined in IC 8-1-2-125);

(5) any rural electric membership corporation organized under IC 8-1-13;

(6) any corporation that was organized in 1963 under Acts 1935, c. 157 and that engages in the generation and transmission of electric energy;

(7) any telephone cooperative corporation formed under IC 8-1-17;

(8) any commission, authority, or authorized body of any qualified entity;

(9) any organization, association, or trust with members, participants, or beneficiaries that are all individually qualified entities;

(10) any commission, authority, or instrumentality of the state; ~~or~~

(11) a charter school established under IC 20-5.5 to which IC 5-1.4-1-10(6) does not apply; or

(12) any other participant (as defined in IC 13-11-2-151.1).

SECTION 3. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, the following terms have the following meanings:**

(1) "Board" refers to the Indiana state board of education established under IC 20-1-1-1.

(2) "Charter school" means an entity established under IC 20-5.5.

(3) "Fund" refers to the common school fund established under IC 21-1-1-1.

(b) The board may advance money from the fund to a charter school. A charter school may submit an application, in a form



1 approved by the board, to receive an advance under this
2 SECTION.

3 (c) After approving an advance to a charter school under this
4 SECTION, the board shall pay the money to the charter school
5 under the following schedule:

6 (1) For an advance made in 2002:

7 (A) fifty percent (50%) of the total advance by
8 July 15, 2002; and

9 (B) the remainder by October 15, 2002.

10 (2) For an advance made in 2003:

11 (A) fifty percent (50%) of the total advance by
12 July 15, 2003; and

13 (B) the remainder by October 15, 2003.

14 (d) Money advanced to a charter school under this SECTION
15 may be advanced for a period not exceeding ten (10) years, and the
16 charter school shall pay interest at an annual rate of one percent
17 (1%) for the advance. The charter school is not required to begin
18 repaying an advance made under this SECTION, and interest on
19 the money advanced does not begin to accrue, until two (2) years
20 after receiving the advance.

21 (e) The board may advance not more than ten percent (10%) of
22 the total amount available for advances from the fund:

23 (1) in 2002; and

24 (2) in 2003;

25 to charter schools under this SECTION.

26 (f) In making advances from the fund for other purposes in 2002
27 and 2003, the board shall ensure that money is available in the
28 fund for advances to charter schools under this SECTION.

29 (g) This SECTION expires January 1, 2004.

30 SECTION 4. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Commerce, Economic Development and Technology, to which was referred House Bill 1315, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 15, delete "shall" and insert "**may**".

Page 2, line 1, delete "must" and insert "**may**".

Page 2, delete lines 6 through 13.

Page 2, line 14, delete "(4)" and insert "**(2)**".

Page 2, delete lines 15 through 21 and insert "**areas that lack access or have only limited access to telecommunications services.**".

Page 2, line 22, delete "(5)" and insert "**(3)**".

Page 2, line 24, delete "(6)" and insert "**(4)**".

Page 2, delete lines 27 through 29.

Page 3, line 7, delete "shall" and insert "**may**".

and when so amended that said bill do pass.

(Reference is to HB 1315 as introduced.)

FRY, Chair

Committee Vote: yeas 13, nays 0.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1315 be amended to read as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

(Reference is to HB 1315 as printed January 31, 2002.)

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COMMITTEE REPORT

Mr. President: The Senate Committee on Education, to which was referred House Bill No. 1315, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 2, after "is" insert ":

**(A) sponsored by the executive of a consolidated city; or
(B) located in a county containing a consolidated city and
for which the executive of the consolidated city requests
financing."**

Page 2, delete line 3.

Page 2, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 2. IC 5-1.5-1-8, AS AMENDED BY P.L.132-1999, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. "Qualified entity" means:

- (1) a political subdivision (as defined in IC 36-1-2-13);
- (2) a state educational institution (as defined in IC 20-12-0.5-1(b));
- (3) a leasing body (as defined in IC 5-1-1-1(a));
- (4) a not-for-profit utility (as defined in IC 8-1-2-125);
- (5) any rural electric membership corporation organized under IC 8-1-13;
- (6) any corporation that was organized in 1963 under Acts 1935, c. 157 and that engages in the generation and transmission of electric energy;
- (7) any telephone cooperative corporation formed under IC 8-1-17;
- (8) any commission, authority, or authorized body of any qualified entity;
- (9) any organization, association, or trust with members, participants, or beneficiaries that are all individually qualified entities;
- (10) any commission, authority, or instrumentality of the state; ~~or~~
- (11) **a charter school established under IC 20-5.5 to which IC 5-1.4-1-10(6) does not apply; or**
- (12) any other participant (as defined in IC 13-11-2-151.1).

SECTION 3. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, the following terms have the following meanings:**

- (1) **"Board" refers to the Indiana state board of education established under IC 20-1-1-1.**
- (2) **"Charter school" means an entity established under IC 20-5.5.**

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(3) "Fund" refers to the common school fund established under IC 21-1-1-1.

(b) The board may advance money from the fund to a charter school. A charter school may submit an application, in a form approved by the board, to receive an advance under this SECTION.

(c) After approving an advance to a charter school under this SECTION, the board shall pay the money to the charter school under the following schedule:

(1) For an advance made in 2002:

(A) fifty percent (50%) of the total advance by July 15, 2002; and

(B) the remainder by October 15, 2002.

(2) For an advance made in 2003:

(A) fifty percent (50%) of the total advance by July 15, 2003; and

(B) the remainder by October 15, 2003.

(d) Money advanced to a charter school under this SECTION may be advanced for a period not exceeding ten (10) years, and the charter school shall pay interest at an annual rate of one percent (1%) for the advance. The charter school is not required to begin repaying an advance made under this SECTION, and interest on the money advanced does not begin to accrue, until two (2) years after receiving the advance.

(e) The board may advance not more than ten percent (10%) of the total amount available for advances from the fund:

(1) in 2002; and

(2) in 2003;

to charter schools under this SECTION.

(f) In making advances from the fund for other purposes in 2002 and 2003, the board shall ensure that money is available in the fund for advances to charter schools under this SECTION.

(g) This SECTION expires January 1, 2004."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1315 as reprinted February 5, 2002.)

LUBBERS, Chairperson

Committee Vote: Yeas 5, Nays 2.

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